



March 21, 2014

To: Executive Board

Subject: **Management Compensation Plan Modifications**

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**Recommendation**

Consider possible modifications to the management compensation plan.

**Analysis**

In June, 2013, the Executive Board adopted Foothill Transit's management compensation plan. This plan identified pay ranges and other benefits for employees working directly for Foothill Transit. The plan was modified in October 2013 by Board action. The following additional modifications are recommended to the plan:

*Retirement Benefit* – Under the adopted management compensation plan, Foothill Transit shall contribute seven percent of the employee's bi-weekly compensation to a defined contribution retirement plan. In addition, Foothill Transit will match 100 percent of employee contributions up to two percent of annual compensation to this retirement plan.

It has taken longer than anticipated to implement the retirement plan. It is expected that the plan will be in place on July 1, 2014. Employees have not had the option to contribute any of their own income to the plan in order to take advantage of the matching provision. In light of this, it is recommended that for the period beginning with an employee's date of hire until June 30, 2014, Foothill Transit make a contribution to the employee's retirement account that is equal to nine percent of their earnings with no match requirement.

*Transit Passes* – As a transit provider, Foothill Transit encourages its employees to use public transportation. Some employees are using other transit providers to connect to Foothill Transit services in order to travel to the Foothill Transit administrative offices. It is recommended that Foothill Transit provide these employees with transit passes from these other transit operators provided that they commit to using transit a minimum of eight days per month for their daily commute.

*Facilities Administrative Assistant* - It is recommended that the Facilities Administrative Assistant position be re-classified from part time to a full time position. A number of important projects are underway including the development of the Azusa Park and Ride facility and the remodel of the Puente Hills Mall Transit Store. These projects have expanded the workload of the procurement team. Further, we have a number of major procurements that are about to begin. Pending board action, this would include the Arcadia operating contract and the replacement of the SmartBus system. The Facilities



Administrative Assistant will provide additional support to the procurement team in managing these projects. The recommended pay grade for this position is grade 3.

*Employee of the Quarter Superior Service Recognition* – It is recommended that this section of the plan be deleted. This program has not been implemented and is not needed. The Foothill Transit employee group is small and all team members work hard on a daily basis. Recognizing the efforts to one single team member is not needed.

Attached is a red-lined version of the management compensation plan with the outlined recommended changes. Please note the provision of Foothill Transit passes for employees and their dependents was addressed in the October modifications. However, it was not documented in the plan. This section now addresses the provision of non-Foothill Transit bus passes should the Board adopt this recommendation.

### **Budget Impact**

Funds are available in the fiscal year 2014 budget for these recommended changes. The retirement benefit change will have no impact on the Foothill Transit budget as it was anticipated that most employees would have contributed to the retirement program to take advantage of the two percent match. The transit pass benefit is expected to have a total expense of approximately \$6,000 annually. The transition of the Facilities Administrative Assistant from part-time to full time will have an anticipate cost of \$13,000.

Sincerely,

Doran J. Barnes  
Executive Director



**Foothill Transit**  
Going Good Places

## **Foothill Transit Employee Compensation Program**

Adopted ~~October 25, 2013~~ March 21, 2014

Foothill Transit's employee compensation plan is described below. The Foothill Transit Board reserves the right to modify or change this plan at its sole discretion at any time. The Executive Director is charged with administering this program.

*Please note that while Foothill Transit has been in existence for 25 years, it is just beginning as an employer. This program has been crafted with great care. Employee should fully understand that changes to this program are highly likely and should be fully expected as Foothill Transit gains experience as an employer. Further, the Affordable Health Care Act is expected to require changes to health plan coverages. Again, employees should expect changes in the future.*

### **Pay Grades**

Foothill Transit shall utilize the following pay grades and ranges. Employees may be hired at any point within these pay ranges at the discretion of the Executive Director and subject to overall budget limitations:

	Bi Weekly Min	Bi Weekly Max	Annual Minimum	Annual Maximum	Position Type
Foothill Transit Grade 8	\$2,885	\$5,692	\$80,000	\$148,000	Department Director
Foothill Transit Grade 7	\$2,308	\$4,231	\$60,000	\$110,000	Department Manager
Foothill Transit Grade 6	\$1,885	\$3,115	\$49,000	\$81,000	Technical Staff
Foothill Transit Grade 5	\$1,654	\$2,500	\$43,000	\$65,000	Technical Support Administrative
Foothill Transit Grade 4	\$1,385	\$2,115	\$36,000	\$55,000	Support
Foothill Transit Grade 3	\$1,154	\$1,769	\$30,000	\$46,000	Clerical Support

Compensation for the Executive Director shall be set at the sole discretion of the Board. Compensation for the Deputy Executive Director shall not be less than 65 percent of the compensation of the Executive Director and not more than 80 percent of the compensation of the Executive Director





## Positions by Pay Grade

Foothill Transit positions are assigned to the following pay grades:

	Department	Pay Grade
<del>Facilities Administrative Assistant</del>	<del>Facilities</del>	<del>Grade 2</del>
Administrative Assistant	Administration	Grade 3
Receptionist	Administration	Grade 3
Marketing Assistant	Marketing	Grade 3
<del>Facilities Administrative Assistant</del>	<del>Facilities</del>	<del>Grade 3</del>
Operations and Customer Services Assistant	Operations	Grade 3
Accounting Clerk	Finance	Grade 4
Records Specialist	Procurement	Grade 4
Staff Accountant	Finance	Grade 5
Fare Technology Specialist	Finance	Grade 5
Maintenance Quality Assurance Inspector	Maintenance	Grade 5
Marketing and Communications Coordinator	Marketing	Grade 5
Quality Assurance Inspector	Operations	Grade 5
Quality Assurance Analyst	Operations	Grade 5
Human Resources Manager	Administration	Grade 6
Facilities Manager	Facilities	Grade 6
Grant Specialist	Finance	Grade 6
Project Accountant	Finance	Grade 6
Senior Accountant	Finance	Grade 6
New Media and Customer Relations Coordinator	Marketing	Grade 6
Maintenance and Vehicle Technology Manager	Maintenance	Grade 6
Help Desk Administrator	I.T.	Grade 6
IT Application Specialist	I.T.	Grade 6
Safety Compliance Coordinator	Operations	Grade 6
Transit Planner	Planning	Grade 6
Board Support Manager/Executive Assistant	Administration	Grade 7
Government Relations Manager	Administration	Grade 7
Construction Project Manager	Facilities	Grade 7
Finance Manager	Finance	Grade 7
Manager of Community Engagement	Marketing	Grade 7
Network Manager	I.T.	Grade 7
Procurement Manager	Procurement	Grade 7
Operations Contract Manager	Operations	Grade 7
Transit Planning Manager	Planning	Grade 7
Director of Procurement	Procurement	Grade 8
Director of Government Relations	Administration	Grade 8
Director of Facilities	Facilities	Grade 8
Director of Customer Relations	Administration	Grade 8
Director of Maintenance and Vehicle Technology	Maintenance	Grade 8
Director of Marketing and Communications	Marketing	Grade 8
Director of Information Technology	I.T.	Grade 8



Director of Planning	Planning	Grade 8
Director of Finance	Finance	Grade 8
Director of Customer Service and Operations	Operations	Grade 8

### Internship Program

As part of Foothill Transit's commitment to workforce development, Foothill Transit has created an internship program. The internships allow students to gain valuable skills and knowledge. In addition, the interns support Foothill Transit in achieving its mission. Interns work an average of 20 hours per week and would be paid \$15.00 per hour.

### Vacation Time

Foothill Transit shall provide vacation time to all full-time employees at the following rates per

0-5 years of Service	3.08 hours per pay period, which equates to 80 hours per year or two weeks per year
5-10 years of Service	4.61 hours per pay period, which equates to 120 hours per year or three weeks per year
10-15 years of service	6.15 hours per pay period, which equates to 160 hours per year or four weeks per year
15+ years of service	7.69 hours per pay period, which equates to 200 hours per year or five weeks per year

Years of service shall include time worked as a Foothill Transit employee and time worked for a Foothill Transit operating and/or management contract for the period in which the employee was assigned full-time to serving Foothill Transit. Service does not need to be consecutive.

Maximum accrual is two times the annual vacation amount or 280 hours, whichever is less.

In December of each year, employees may cash out up to one half of their vacation balance or 80 hours, whichever is less. To be eligible for the cash out option, the employee must have taken at least 40 hours of vacation time in the prior twelve months.

Employees hired during calendar year 2013 may take up to 40 hours of vacation time in advance of earning vacation time. This accommodation will only be provided during calendar year 2013.



## Holidays

Foothill Transit shall observe the following holidays:

- Martin Luther King Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Day after Thanksgiving

In addition, Foothill Transit will observe a holiday period beginning on December 24<sup>th</sup> of each year and ending on January 1<sup>st</sup>. During this time, the administrative offices will be closed. The specific days for this holiday period will be established at the beginning of each fiscal year. The specific number of days and total hours of holiday time will vary from year to year. It is anticipated a flex day will fall within this period for most employees, most years and will be accounted for as part of the total time away from work during this period.

Foothill Transit will grant paid holiday time off to all eligible employees immediately upon assignment to full-time status. Holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) times the number of hours the employee would otherwise have worked on that day. Part-time employees are not eligible for holiday pay.

## Sick Leave

3.69 hours per pay period, which equates to 12 days per year.

## Work Hours and Schedules

Management and administrative employees will work a 9/80 flex schedule with every other Monday off. Work hours will be as follows:

Tuesday through Friday	7:30 a.m. to 5:30 p.m.	Lunch: 12:00 p.m. to 1:00 p.m.
First Monday:	Office closed	
Second Monday	7:30 a.m. to 4:30 p.m.	Lunch: 12:00 p.m. to 1:00 p.m.

Certain positions in the Customer Service and Operations team may be assigned alternate schedules due to operational hours of the administrative office.



### Health Benefits

Foothill Transit shall pay 100% of the lowest cost California Choice HMO 15 health plan (\$15 dollar office co-pay) provided for the employee and either a spouse/domestic partner or children. Full family coverage shall be made available. The employee shall be responsible for the additional cost of family coverage.

Foothill Transit shall pay 100% of the cost of dental, vision and chiropractic care for the employee and either a spouse/domestic partner or children. Full family coverage shall be made available. The employee shall be responsible for the additional cost of family coverage.

In order to encourage good health, the cost of flu shots for employees and their dependents covered by the Foothill Transit group medical health plans are eligible to receive reimbursement annually for the administration of the flu shot.

### Life Insurance

Foothill Transit shall provide life insurance at one times annual salary. Per United States Internal Revenue requirements, the premium for insurance in excess of \$50,000 per year is considered taxable income. Employees will be responsive for this tax liability. A payroll deduction will be made each pay period related to this tax liability.

### Retirement Benefits

From the date of hire until June 30, 2014, Foothill Transit shall contribute an amount equal to nine percent of the employee's gross earnings to a defined contribution retirement account.

Beginning July 1, 2014, Foothill Transit shall contribute an amount equal to seven percent of the employee's bi-weekly compensation to a defined contribution retirement plan. In addition, Foothill Transit will match 100 percent of employee contributions up to two percent of annual bi weekly compensation to this retirement plan. The employee contribution component of this program is expected to begin on October 1, 2013. The specific date will be announced once it has been determined.

### Tuition Reimbursement

Employees shall be eligible for tuition reimbursement for classes related to professional positions at Foothill Transit. A grade of "C" or better must be achieved to obtain reimbursement. The maximum annual reimbursement shall be \$5,250.





### Transit Bus Passes for Employees and Dependents

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Foothill Transit bus passes shall be provided to employees for their professional and personal use. Foothill Transit bus passes also shall be provided to all employees and their dependents.

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Employees commuting via other transit providers at least eight times per month shall be provided transit passes for these other transit providers.

### **Length of Service Recognition**

Employees shall receive a one-time length of service payment as follows:

5 years of service	\$500
10 years of service	\$750
15 years of service	\$1,000
Each subsequent five years of service	\$1,000

Length of service shall include time worked as a Foothill Transit employee and time worked for a Foothill Transit operating and/or management contract for the period in which the employee was assigned full-time to serving Foothill Transit.

Amounts noted are gross pay and shall be treated as ordinary income, which is subject to appropriate taxes.

### **~~Employee of the Quarter Superior Service Recognition~~**

~~Employees who are selected as employee of the quarter for superior service recognition shall receive a one-time payment of \$500. Amounts noted are gross pay and shall be treated as ordinary income, which is subject to appropriate taxes.~~